

1940

# Pleasing Mrs. Brown

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BUSINESS INF. BUREAU  
CORPORATION FILE



THE WORK JEWEL TEA CO., INC. HAS BEEN DOING SINCE 1899



# *Jewel Prepared Biscuit Flour*



**Healthful and Good**

## **QUALITY**



Jewel products satisfy because they are always uniform and good. The company combs the markets of the world for merchandise of highest quality and wide variety; develops new products in its own laboratories. Foods shown in this picture were prepared from Jewel Biscuit Flour, exclusive Jewel item.



# *Pleasing Mrs. Brown*



*The premium method of merchandising  
will live as long as trade because it  
moves with the tides of the human heart.*

ELBERT HUBBARD

SERVING HER IN MORE THAN A MILLION  
DIFFERENT HOMES

**JEWEL TEA CO., INC.**  
JEWEL PARK, BARRINGTON, ILL.



## PRESIDENT'S MESSAGE

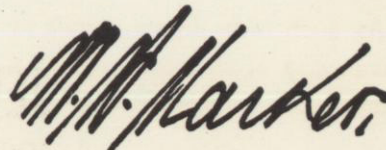
Mrs. Brown is the most important person we know. She is our customer. Pleasing her is the combined job of all the 3,625 persons in Jewel. Our tasks may be varied yet the final objective is always the same, and the way we do our work determines how well we please Mrs. Brown and how long we retain her patronage.

Reduce the route business to its essentials and you have one Jewel man selling quality groceries in one kitchen and pleasing one Mrs. Brown. Multiply that man by 1553 and that customer by more than a million and the result is a business that has grown because it is a friendly human service.

In Chicagoland where route operations are impracticable, 116 clean, white, friendly Jewel Food Stores please another quarter of a million Mrs. Browns.

Jewel stockholders as the money-partners in this job of pleasing Mrs. Brown supply the inventories, the equipment, the automobiles, and other tools with which we work. Their confidence and support have provided an increasing number of full-time jobs in Jewel. In 1939 there were 1277 more people on the payroll than in the prosperous times of 1929. The employee-partners in return have earned 49 consecutive quarterly dividends for the stockholders.

Jewel folks are pleasant, courteous, helpful, and hard working. This booklet will endeavor to explain briefly the ways in which they work and review the history and growth of your company.





# Mrs. Brown

## MEETS JEWEL



It was in 1899 that the first Mrs. Brown bought the first pound of Jewel Coffee and received the first Jewel premium. She was the first Jewel customer. After her there was a second Mrs. Brown, and a third, and a fourth. Today there are more than 1,250,000 Mrs. Browns regularly enjoying Jewel groceries, premiums, and service.

As each Mrs. Brown comes to know the Jewel way of shopping, she is pleased. It offers more than she receives elsewhere.

First of all, she is able to shop for groceries right in her own kitchen. She doesn't forget things she needs because she can examine her pantry shelves and order while the Jewel man is there.

After convenience, she learns of Jewel quality. Since every item has been kitchen tested and laboratory tested, Mrs. Brown finds Jewel products better, more economical. She is more completely satisfied.

This includes the attractive, useful, valu-



able household premiums that are delivered to her without cash outlay. With her first order the Jewel customer receives a waffle baker, or a waterless cooker, or a set of chinaware—or whatever she selects from the long list of Jewel premiums. She enjoys the use of this premium while her regular grocery orders pay for it through credits.

Mrs. Brown quickly learns to appreciate and rely upon Jewel service which is helpful, courteous, and dependable. If served by one of Jewel's 1553 route salesmen, she knows that he will call at her home on a certain day of the week and at a certain hour of the day. Or if she shops at one of Jewel's 116 clean, white food stores, she finds that people are friendly, human, and obliging. She recognizes that service and

value guide the 3,625 people who are Jewel.

### *SINCE 1899*

From "an idea, \$700, and a horse and wagon" Jewel has grown to an organization with assets in excess of ten million dollars, serving homes in 42 states and the District of Columbia. From the beginning Frank V. Skiff and Frank P. Ross were determined above all else to please Mrs. Brown, and they had implicit faith that the average American housewife is honest and will gladly pay a reasonable price for full value.

It was not a new idea for a merchant to travel from door to door selling coffees, teas, spices, and extracts. It was original with Mr. Skiff and Mr. Ross, however, to advance a premium with a customer's first order. To give Mrs. Brown a useful and valuable household article which she could



*First home of the Jewel Tea Co. was this small Chicago store rented by owners Mr. Skiff and Mr. Ross*





enjoy using while credits from her grocery orders paid for it.

This added zest to her shopping. She saw her home furnishings increase without extra cash outlay. It injected new interest in the routine of grocery buying.

### WHAT MRS. BROWN DID

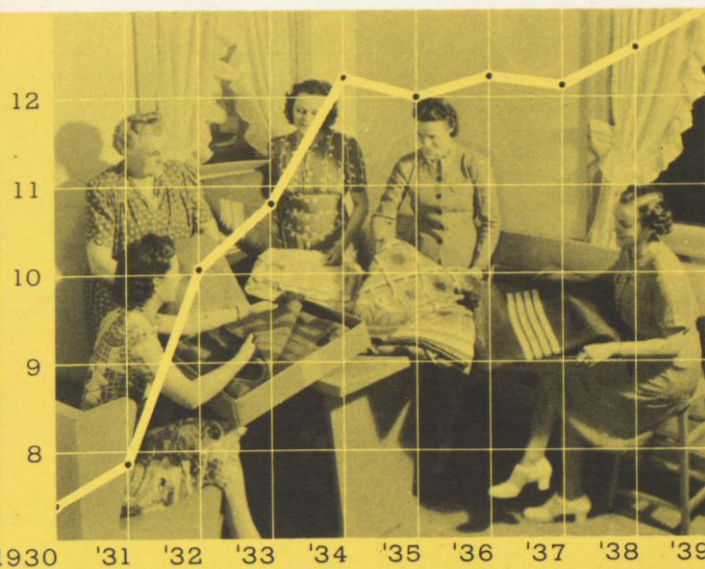
When the first Mrs. Brown received her first Jewel premium and enjoyed her first cup of steaming, fragrant, delicious Jewel Coffee, she was pleased. She had found something new and paid no extra cash to add a

shining new piece to her household treasury. So Mrs. Brown told her sister about her discovery. Her sister tried Jewel and was pleased. She told her neighbor. The neighbor tried Jewel and was pleased. And so it went.

Without realizing, perhaps, the first Mrs. Brown thus laid the groundwork for greater economies for herself and all future Jewel customers. The first Mrs. Brown and each Mrs. Brown who followed her proved the soundness of Elbert Hubbard's statement: "The premium method of merchandising will live as long as trade because it moves with the tides of the human heart."

### CHARACTER OF THE BUSINESS

To millions of people Jewel is symbolized by the Jewel man with his basket of gro-



The increasing number of customers served by Jewel depicted here; the scale is in hundreds of thousands





ceries and his clean, coffee-brown car.

Cheerfully, efficiently, and regularly he makes the rounds of his established route. If he calls at your home on Tuesday, he will return on Tuesday a fortnight later — at approximately the same hour of day. He will deliver today the groceries you ordered two weeks ago, and he will take your order for delivery two weeks hence. He does a cash business and groceries are paid for at the time of their delivery. Exception is made for good customers, who have a long trading record with the company, to allow for one delivery's credit accommodation when necessary.

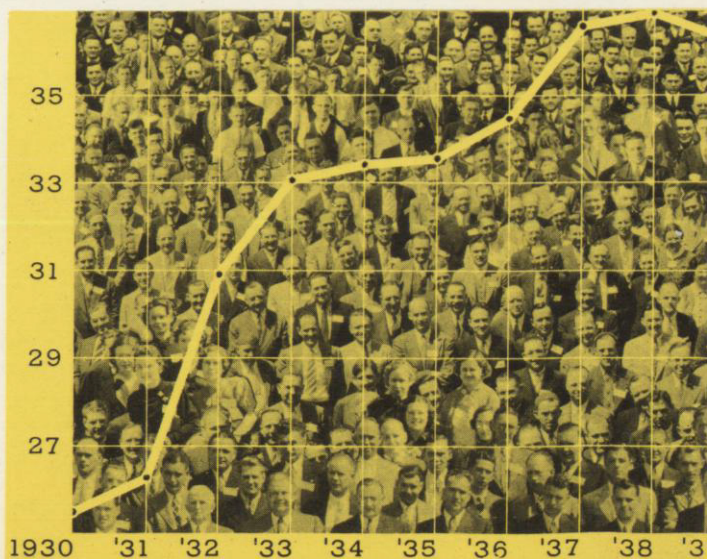
When he is in your home, as at all other times, the Jewel man is friendly, courteous, and helpful. Your interests are his interests. By talking, observing, asking, answering, he learns your problems and preferences. From the experiences of 1553 friendly Jewel men who are daily calling in American homes, the company's policies and practices are molded to effect greater satisfaction among Jewel customers.

The company Creed says: "Jewel is more than a big business, it is a service." The theory of Jewel shopping is based on service and encompasses ordering at home, delivery of purchases, and the distinctive advanced premium plan. In 1939 Mrs.

Brown received an average of over twenty cents in profit-sharing credits for each dollar's worth of groceries purchased. These credits paid for her premiums.

More than forty years of age, Jewel is old enough to have learned much from experience. The company is also young enough to be strong and vigorous and progressive. It is alert to scientific developments and changes in taste. It is courageous in meeting new demands and new desires. Making contact with Jewel a pleasant experience for Mrs. Brown, Jewel produces wages and dividends from honest work, quality products, and faithful, cheerful service.

*Despite depression, the number of Jewel employees—shown here in hundreds—increased 54% in ten years*





## JEWEL QUARTER CENTURY CLUB

In January of 1930 Mrs. H. M. Shepherd of Flint, Michigan, wrote to Jewel's president: "I have traded with your company for nearly thirty years and have been perfectly satisfied with your products. . . . The boys who delivered to me were as good as they could be . . ." That letter, representative of thousands received by Jewel, was the stimulus for creation of Jewel's Quarter Century Club. At the close of 1939, the club, qualification for which includes 25 years

*Founder and  
Charter Member*



as a Jewel customer, had enrolled 899 members. This organization is a tribute to Jewel products and service.



## TWENTY-FIVE-YEAR CLUB

On December 5, 1928, Jewel's Twenty-Five-Year Club was created in honor of Frank Talbot and Charles Smith, who, having completed a quarter century of Jewel service, were named charter members and presented with engraved gold watches.

Today the club has 26 active members—26 men and women who are continuing

their long records of loyal service to Jewel and to Jewel customers. In all, the members of this organization have accumulated 718 years with their company. Upon each occasion of new members being admitted at the periodic meetings of the Twenty-Five-Year Club, the group grows as a tribute to Jewel and its ideals.



### 718 YEARS OF SERVICE IN THIS CLUB

Front row: J. W. Grummett; F. W. Smith; William Noyes; Anna Malmquist; M. C. Dewey; H. J. Pickell; J. W. Dalton; Lorena A. Krach; M. A. Unger; Herbert Hahn; J. E. Turner; F. R. Bond.

Second row: Frank Talbot; Charles Smith; J. P. Lamb; A. J. Hedley; Howard Hight; Charles McDaniel; W. D. Smith; Joseph Buschek; C. C. Hiatt; William Danhauser; J. C. Gellatly; G. W. Hoag; F. L. Clancy; E. H. Stenson.



# MEN DIRECTING THE JOB



## JOHN M. HANCOCK, *Chairman, Board of Directors*

• John M. Hancock is an active partner in the banking firm of Lehman Brothers, New York. He is a member of the Advisory Committee of the New York Stock Exchange and is a director in these companies: Sears, Roebuck & Co.; Kroger Grocery and Baking Co.; International Silver Co.; American Stores Co.; W. T. Grant Co.; General American Investors Co., Inc.; Van Ralste Company; Brunswick-Balke-Collender Company; Kimberly-Clark Corporation; The Lehman Corporation; A. Stein & Company; The United States Playing Card Company; Van Camp Milk Company; Underwood-Elliott-Fisher Company; National Surety Corporation; and he is chairman of the Executive Committee of The Flintkote Company, Inc.

Mr. Hancock was born in Emerado, North Dakota, in 1883. He graduated from the University of North Dakota in 1903, and the next year entered the navy. When the United States entered the war, Mr. Hancock was the officer in charge of the Purchase Division, Bureau of Supplies and Accounts, Navy Department. He was also a member of the Federal Price Fixing Committee and of the Requirements Division of the War Industries Board. He was awarded the Navy Cross for war services. He held the rank of Commander when he resigned from the navy in 1919 to become connected with Jewel. He was elected vice president in November, 1919, to the board of directors the following month, treasurer in December, 1920, and president in April, 1922. Two years later, in July, 1924, he resigned to join Lehman Brothers, and became chairman of the board of directors of Jewel Tea Co., Inc.

## M. H. KARKER, *President and Director*

• M. H. Karker was born in Schoharie County, New York, in 1886, received his early education in the vicinity of his birthplace, and enlisted in the navy shortly after graduation from high school. He continued his education after his enlistment and earned his commission before he was 21. During the first year of the war he was on duty at the navy supply depot in New York and after June, 1918, at the navy supply base at Brest, France. On his return to the United States he was made officer in charge of the Provisions and Clothing Depot at New York. He received a letter of commendation from the Secretary of

the Navy and had three citations, one for the Legion of Honor and two for the Distinguished Service Medal.

In 1922, Mr. Karker left the navy and a short time later joined the executive staff of Jewel. He was elected a member of the board of directors on February 13, 1923, and was made vice president in charge of administration on March 20, 1923. Mr. Karker was elected president on July 1, 1924. He has held this position since that time. His untiring energies, intense loyalty, and sympathetic leadership have made him a sincere friend to every Jewel.



## HENRY S. BOWERS, *Director*

• Mr. Henry S. Bowers is a partner in the banking firm of Goldman, Sachs & Co., New York. Born 1878, Arlington Heights, Mass. Graduated Harvard, 1900. New York Office, Goldman, Sachs & Co., 1900 to 1907. Chicago Office same firm, 1907 to 1915. Admitted to firm in 1915, and transferred back to New York Office. Director of the

following corporations: Pillsbury Flour Mills Co.; Mun-singwear, Inc.; S. H. Kress & Co.; Kelsey-Hayes Wheel Company; Endicott-Johnson Corporation; Archer-Daniels-Midland Co.; Minneapolis-Moline Power Implement Company; The Cream of Wheat Corporation; Truax-Traer Coal Company; United Biscuit Company of America; The Champion Paper and Fibre Company; Wayne Knitting Mills; Jewel Tea Co., Inc.





# Pleasing Mrs. Brown

## A. VERNON JANNOTTA, *Director*

• Mr. A. Vernon Jannotta is a member of the family which founded the company and which actively directed its development and growth for twenty years. Born 1894, Chicago. Graduated Cornell, Class of 1917. Upon leaving the navy, in which he enlisted as Seaman when war was declared and where he earned his commission as Lieut. (J.G.) U.S.N., he entered the employ of Jewel in 1919. He held important positions both in sales and operating phases of

Jewel and then became in succession Assistant to the President, Assistant Secretary, and Secretary. In 1926 Mr. Jannotta resigned to engage in business for himself. Vice President and General Manager of Tapp, Inc.; director of: Chicago Furniture Manufacturers Association; West Counties Construction Co.; Jewel Tea Co., Inc.



## F. M. KASCH, *Vice President and Director*

• F. M. Kasch, vice president, Food Stores, entered the service of the company in 1916. He held successive positions as charge of auditors, charge of voucher records, disbursements, billing, payroll

and expense sections, statistical department, assistant treasurer and treasurer of the company. He was elected a member of the board of directors April 8, 1928, and elected vice president of the company on March 13, 1934.



## C. W. KAYLOR, *Vice President and Director*

• C. W. Kaylor, vice president, Public Relations, began his service with Jewel in 1922 as a route salesman, and was an assistant manager, branch manager, chief of personnel division, western sales manager, assistant general sales manager, and general sales manager,

successively. He was made a member of the board of directors on April 10, 1933, and elected vice president on March 13, 1934. On January 3, 1938, he was made vice president in charge of Public Relations.



## E. E. RICHARDS, *Director*

• Mr. E. E. Richards is a member of the Industrial Department of the Investment Banking firm of Lehman Brothers.

Born in 1905, he graduated from Dartmouth College in 1925 and from the Har-

vard Graduate School of Business Administration in 1927. Shortly thereafter he entered the offices of Lehman Brothers. Elected a director of Jewel Tea Co., Inc., in 1937, he is also a director of the Van Camp Milk Company.



## WALTER E. SACHS, *Director*

• Mr. Walter E. Sachs was born in New York City in 1884. Graduated from Harvard in 1904. Studied law at Harvard Law School, 1904-1905. Studied foreign banking methods in London, Paris, and Berlin, 1906-

1907. Partner in Goldman, Sachs & Co. since 1910. Director of: The May Department Stores Co.; Brown Shoe Co., Inc.; Merck & Co., Inc.; Lehn & Fink Products Co.; Barker Bros., Inc.; Jewel Tea Co., Inc.



## ROBERT R. UPDEGRAFF, *Director*

• Mr. Robert R. Updegraff is a business counselor, serving several of America's corporations in an advisory capacity. Born 1889, Salt Lake City, Utah. Author of numerous books dealing with business and related fields, and frequent

contributor to the periodical press. Edited *The Magazine of Business*, Chicago, 1928-29. Contributing Editor, *Advertising & Selling* magazine, New York. Director of: Scarsdale National Bank and Trust Company; Jewel Tea Co., Inc.







Robert Hilton  
*Vice President  
Administration*



J. M. Friedlander  
*Treasurer*



A. U. Hunt  
*Controller*



T. Edw. Davis  
*Secretary*



W. D. Smith  
*Assistant to  
the President*



J. M. O'Connor  
*Assistant to  
Chairman of Board*



F. J. Lunding  
*Assistant  
Secretary*



Richard D. Sturtevant  
*Assistant  
Secretary*

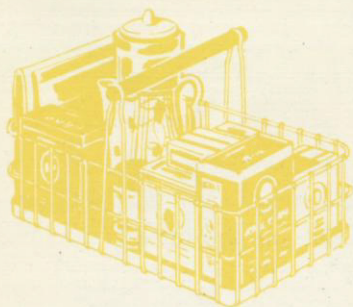


Paul B. Boyd  
*General  
Sales Manager*



Robert E. Stevens  
*Assistant to  
the President*





## CONFIDENCE AND COOPERATION

The strength of the Jewel organization comes directly from its people. The confidence and cooperation existing among all the elements of the business is a tribute to the ability, ambition, competence, resourcefulness, and character of the staff. These people daily bring the force of their personalities to bear upon the heritage and environment of a progressive business which provides consideration, satisfaction, and security for the 14,500 members of the families of Jewel people.

In 1939 the company payroll increased 3.78 per cent over 1938. After meeting the payroll of \$5,580,284.51 there was left \$1,658,666 for stockholders as a return on their investment. All of this money came from Mrs. Brown's pocketbook as well as the money which paid all the expenses of this business which plays a modest yet important part in building American prosperity. The progress of the company testifies

to the irresistibility of cooperation between consumers, stockholders, and staff. This cooperation springs from pleasant contacts with Mrs. Brown, frequent conferences of men, and mutual confidence and understanding.

Jewel doesn't go outside the organization to fill a position if there is anyone in the company capable of doing the work. Personnel records are kept in the home office so that complete information as to promotional qualifications is always available. Every effort is made to encourage people to study about their company and jobs.

Jewel holds a sales convention each year to exchange ideas, formulate sales plans, and solve current problems. Branch and district managers, auditors and home office executives are shown on this page at the 18th Annual Branch Managers' Convention at French Lick Springs, Indiana.



BRANCH MANAGERS' 18 ANNUAL CONVENTION JEWEL TEA CO. INC. MAY 28-JUNE 1 1939 FRENCH LICK SPRINGS





*Jewel's library books available to all employees*

### **SALES AIDS**

Sales manuals, training courses, sales bulletins, sound slide films, frequent group meetings and conferences, and a modern library of more than 2,000 volumes are parts of this indoctrination work. A company news-magazine, *The Jewel*, is issued regularly. It helps maintain unified thought and action among Jewel people. It keeps them informed of plans, contests and promotional campaigns, and reflects the activities of the personnel. It also gives national recognition to outstanding jobs. *The Jewel News*, an eight-page rotogravure publication is printed each four weeks and distributed free to all customers. It features items of

interest to all homemakers, and carries recipes, an idea exchange, pattern service, and merchandising material on products and premiums. Customers greatly appreciate *The Jewel News* and look forward to its delivery every four weeks.

### **IMPORTANCE OF QUALITY**

Sales contests and campaigns are regular sales stimulants and add interest to competition between individuals, branches and districts. Perhaps the greatest aid to sales is the high quality of Jewel groceries and premiums which are sold with a satisfaction or money refunded guarantee. Jewel combs the markets of the world for the best in quality and variety. Workers in 23 states of the union help manufacture Jewel products. During 1939 purchases for Jewel Food Stores included over two million pounds of butter and nearly six million pounds of sugar. Customers in 16,051 communities know that the word Jewel means quality. That is a principal reason for their shopping the Jewel way for ten, twenty and even more than thirty years.



*These publications are Sales Aids for Jewel Men*





## ECONOMY



Jewel's New Grano is so good, so efficient, that homemakers are cautioned against using too much. Made by an exclusive Jewel formula, Grano is best by test—a new, scientifically perfected soap product. Like other Jewel groceries, Grano gives better results, is easier to use, and is more economical.



# GUARDING THE QUALITY THAT IS



One of the Jewel names best known to Mrs. Brown is that of Mary Dunbar—expert home economist who directs the Jewel Homemakers' Institute, gives Mary Dunbar Cooking Schools from time to time in towns in which Jewel operates, and corresponds with customers by letter and *The Jewel News*.

Jewel's Homemakers' Institute functions solely in the interests of Mrs. Brown and her family, guarding the quality of Jewel groceries and premiums, and providing helpful household information that lightens home duties. Every Jewel grocery and premium item is tested in the Homemakers' Institute for purity, durability, and practicability before it is presented to customers for sale. To aid in this work, Mary Dunbar

## THE HOMEMAKERS' INSTITUTE

has able assistants, one a graduate of Simmons College, Boston, another a graduate of Stout Institute, Menomonie, Wisconsin, and another a graduate of Indiana State Teachers College, Terre Haute. Mary Dunbar is also a college graduate, has taught in high school and college, and was formerly baking specialist with the United States Department of Agriculture.

The Mary Dunbar Seal of Approval is respected by Jewel customers, and to earn it a product must pass exacting tests and qualify in every detail as high quality merchandise. Thousands of customers write Mary Dunbar each year for advice and consultation on homemaking problems, and a friendly association has been built up between her and Jewel customers.





# Pleasing Mrs. Brown

## THE CHEMISTRY LABORATORY

The modern Jewel chemistry laboratory guarantees quality to Mrs. Brown and evidences the leadership of Jewel products in purity, efficiency, and economy. Not only must every item pass the exacting tests of this department—more rigid than any government pure food laws—before being acceptable for the Jewel line, but experimental research work is constantly in progress to improve these foods and laundry products.

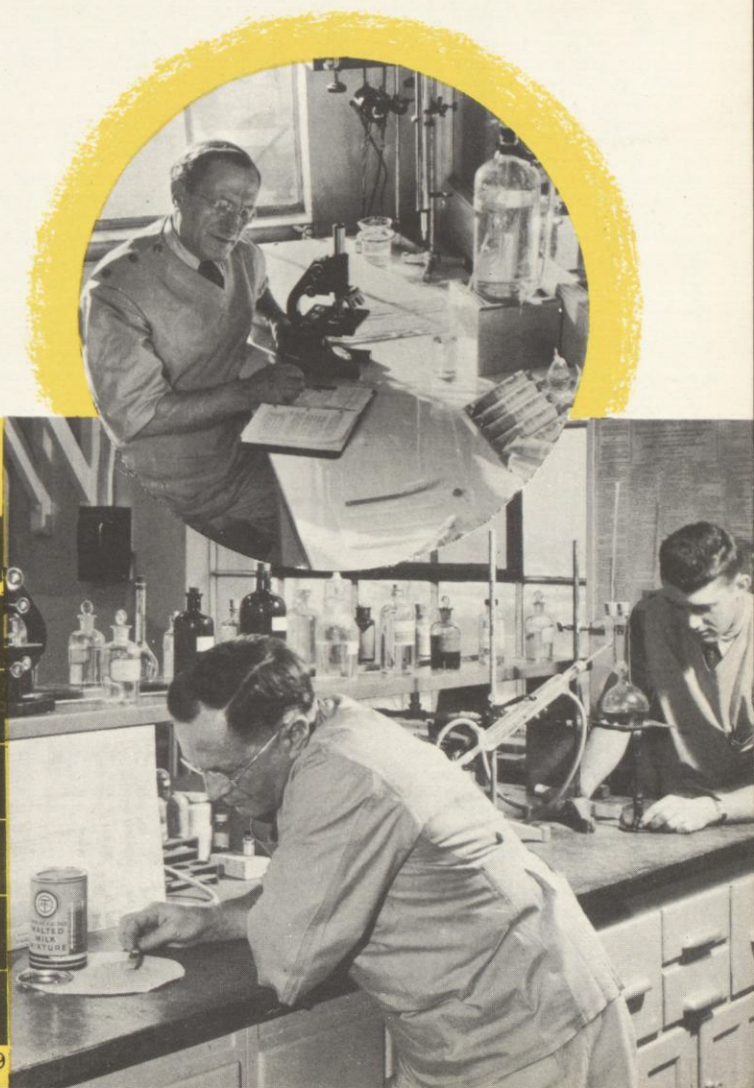
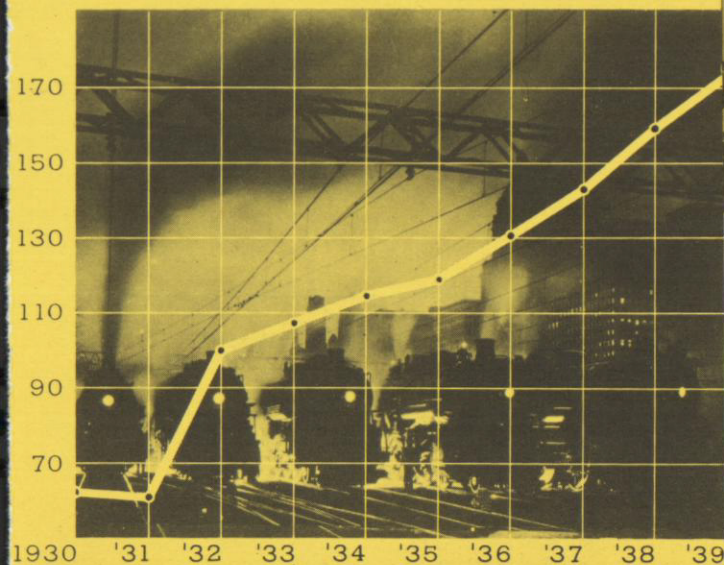
Two expert chemists devote their full time to the duties of this laboratory. J. M. Shapiro, a graduate of Cooper Union, New York City, is in charge, and is assisted by L. A. Wright, graduate chemist of the University of Illinois.

Working in cooperation with the Homemakers' Institute, Jewel's chemistry department

has developed Jewel-Jell, Velvetouch, Dental Cream, Malted Milk with VioBin, Biscuit Flour, Imitation Vanilla Extract, Lemon Extract and Jewel Desserts, and modified for improvement the basic formulas of Shampoo and Grano.

The efforts of these guardians lead to new levels of superiority for the groceries that Mrs. Brown receives from Jewel.

*Rise in millions of pounds of Merchandise Sold to Customers is evidence of Pleasing Mrs. Brown*







## TASTE



There's a real knack to imparting flavors so delicious, so much more tasty than the ordinary, that folks are immediately captured by them. Jewel's food specialists have that knack, and Jewel Desserts have relish and flavor of excitingly higher grade. Thousands of homes enjoy their better taste regularly.



# THE MOST COMPLETE *Coffee* SERVICE IN AMERICA

Jewel offers Mrs. Brown *The Most Complete Coffee Service in America*. After more than 40 years in the coffee business, Jewel has a wealth of experience in the selection, blending, roasting, grinding, and packaging of coffee. Serving more than 1,250,000 Mrs. Browns in 42 states and the District of Columbia, the staff has become intimately acquainted with tastes, preferences in methods of preparation, and coffee-drinking habits of American homemakers.

Evidence of ability to please Mrs. Brown lies in the sale of more than 22,500,000 pounds of Jewel Coffee in 1939.

Mrs. Brown, knowing that "coffee makes the meal," wants good coffee, made correctly. To satisfy her varying tastes, Jewel provides three blends, each the finest of its kind available. Exercising its skill first in the selection of good coffee, Jewel next blends to *taste standards* for excellence in flavor. Roasting, done with the most modern facilities, is also under the personal attention of experts, and Jewel Coffee is offered to Mrs. Brown in the whole bean or in Jewel's scientifically efficient triple-cut grind.

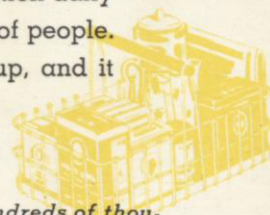
Freshness is absolutely assured because



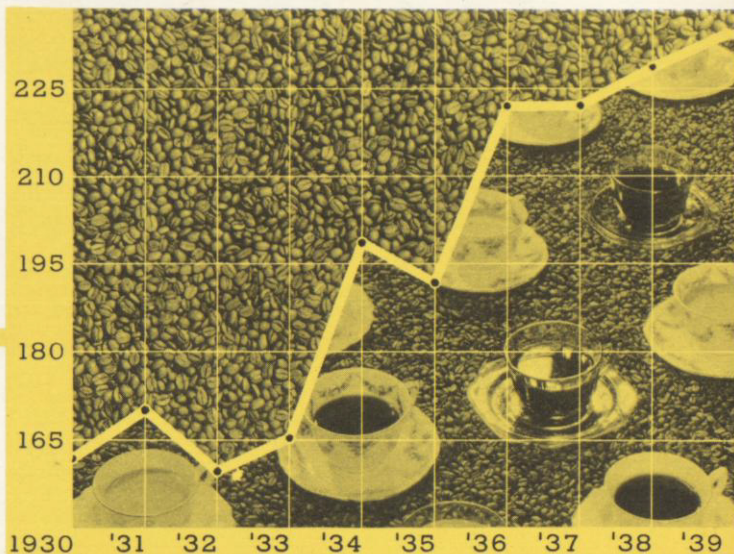
Jewel Coffee is not roasted until it is ordered, and it is rushed immediately to the home of the consumer. There is no fresher coffee available anywhere.

To further insure uniformity of the cup of coffee, Jewel has devoted many years of experimental work to perfecting coffee makers that make a good cup of coffee every time. The exclusive Jewel drippers have been skillfully made to give correct contact of coffee and water. Modern, attractive servers of various sizes are available as premiums in West Bend Aluminum, Club Hammercraft Aluminum, and Hall China.

The entire staff believes coffee is a good beverage and that its mild stimulation daily adds to the enjoyment of millions of people. Good coffee always cheers you up, and it is a grand drink!



*Coffee and Tea Sales—shown in hundreds of thousands of pounds—prove Mrs. Brown's satisfaction*





SERVE  
YOURSELF

# JEWEL

SAVE  
MONEY



## JEWEL FOOD STORES



Since the spring of 1932 a new group of food stores has grown to a position of friendly favor among the families of the Chicago area.

Jewel Food Stores are devoted to pleasing Mrs. Brown. As soon as you enter a clean, white Jewel store you feel that warm, old fashioned neighborliness in modern, streamlined surroundings. You meet courteous, helpful Jewel folks who do all they can to assist you and make your visit a pleasant experience.

Jewel stores are, above all, cleaner, fresher, and more attractive than ordinary stores. They are kept spic and span by people who are proud of their reputation. And you serve

yourself at Jewel because that is the up-to-date, popular method of shopping.

### *PLANNED BY MRS. BROWN*

There are now 116 Jewel Food Stores in the city and its suburbs. They were designed and are operated according to the desires of Chicagoland shoppers who expressed their preferences in a city-wide poll. The quality and value of every item sold is unconditionally guaranteed, and the uniform low prices at Jewel provide real economy for the thousands of regular customers. Jewel Food Stores carry a regular grocery line of over 1500 products and Mrs. Brown can plan her meals right in the store.



Jewel's "Ten Commandments" as set forth publicly to inform persons of the company's standards are:

- 1) Clean and White—inside, outside, front and back . . . swept, scrubbed and shining.
- 2) Friendliness—the deep-down kind that comes from picking nice folks to work with us, and giving them a chance to get ahead.
- 3) Self-Service—easy-to-reach shelves, easy-to-read labels and prices, easy-to-get-around aisles, easy-to-rest-your-basket lanes, easy-to-get help when you want it.
- 4) True Quality—careful, critical food-buying, better-than-Government requirements, kitchen-testing of all big shipments.
- 5) Fresh Produce—fast delivery every morning of all perishables; big refrigerators; everything iced-fresh.
- 6) Low Prices—because we're cash-and-carry, because we're big enough to buy in big lots, but most of all because our folks work as a team to avoid waste and save money for all of us.
- 7) Reliable Weights—and no funny business. No dried-out goods, no butchers' thumbs.
- 8) Variety of Foods—



more good things to eat, more well-known brands, more variety in price. . . . 9) Uniform Pricing — no tricks; everyday rock-bottom prices, exactly the same at all Jewel Stores. 10) Jewel Guarantee — we will never knowingly disappoint you. Money back if you say so, and with the Jewel smile, too.

*Garden-fresh fruits and vegetables are a regular feature at all friendly, modern Jewel Food Stores*



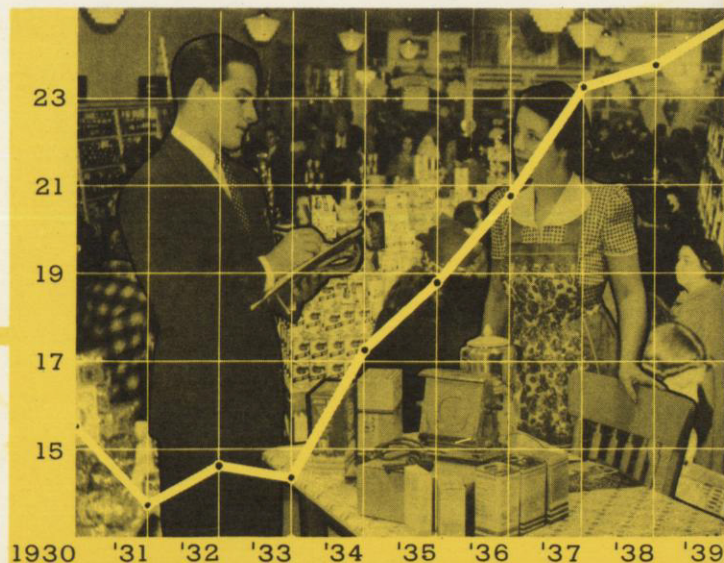


# MILESTONES IN JEWEL HISTORY

- 1899—Frank Vernon Skiff founded the business with \$700 capital.
- 1901—Skiff and Ross, proprietors of the Jewel Tea Company, rented first store at 643 E. 43rd St., Chicago, and initiated the practice of advancing premium with the first delivery of goods.
- 1903—First inventory made. Company incorporated with capitalization of \$25,000.
- 1904—With 12 routes in Chicago, opened outside territory.
- 1905—Leased three-story building at May and Randolph Sts., Chicago, for packaging and distributing base.
- 1906—Capitalization increased to \$100,000. Machinery installed and manufacturing begun. Baking Powder first product.
- 1908—The largest single lot of coffee ever brought in the country up to that time was imported by Jewel—1,600,000 lbs., requiring a train of 42 cars.
- 1909—First plant built with complete coffee roasting equipment and machinery for manufacturing and packaging at Ada and Washington Sts., Chicago.
- 1910—Year's sales reach million mark for first time. Capitalization increased to \$500,000. Expansion program launched.
- 1916—With capitalization of \$16,000,000 present company incorporated. Common and 7% preferred stock listed on New York Stock Exchange. Service extended to New England states and West Coast.
- 1917—Completion of Hoboken, N. J., manufacturing plant, the finest and largest roasting plant in the country.
- 1918—Hoboken plant commandeered by government.
- 1919—Indebtedness funded through issuance of \$3,500,000 in gold notes. Expenses exceeded income. Dividends on preferred stock passed.
- 1920—\$1,000,000 of gold notes paid off. Liquidation of unprofitable branches.
- 1921—Retrenchment program continued and financial position improved.
- 1922—Paid off last of gold notes. Company out of debt.
- 1923—Improvements in customer service included the establishment of chemical laboratory, a customer publication, *The Jewel News*, and triple seal coffee packages.
- 1924—Home Service Division established. Budget system for control of branch expense inaugurated. Capital deficit wiped out.
- 1925—Accrued dividends of \$36.75 reduced \$7.00 per share and dividends resumed.
- 1926—Motorization of routes completed. In December sales per week per wagon reached \$300 for first time.
- 1927—Preferred dividends in arrears paid in full.
- 1928—All preferred stock called for redemption. After 12 years, first dividends paid on common stock at annual rate of \$4.00.
- 1929—Capital stock structure further simplified. Annual dividend rate of \$3.00 per share established on the 280,000 shares of common stock outstanding.

- 1930—Jewel Park, Barrington, Illinois, became headquarters of company.
- 1931—First full year of operation in Barrington showed savings in production and distribution.
- 1932—Jewel entered chain store field by purchasing 81 food stores in Chicago area.
- 1933—New branches opened at Pasadena and Long Beach. Package line redesigned. Banks closed, and Jewel operated without interruption of service.
- 1934—"Wage extra" paid to all employees, except executives. San Antonio, Houston, and Sacramento branches opened.
- 1935—Harrisburg branch opened. A "wage extra" declared for 6% of employees' earnings for 1935.
- 1936—Jewel Tea Co., Inc., a West Virginia corporation, merged with parent company, Jewel Tea Co., Inc., a New York corporation. Greensboro and Tampa branches opened. Two "wage extras" paid, amounting to approximately 6% of employees' earnings for 1936.
- 1937—Baltimore branch split into Chesapeake, Hamilton, and Woodlawn branches. Employees benefited from wage increases, liberalization of policies affecting route audits, vacations, sickness compensation. Acquired and improved property of Jewel Food Stores warehouse.
- 1938—Branches opened at Riverside and Fresno. Capital Empire district created in East. 31 routes sold to distributors at Cleveland, Twin Cities, and Milwaukee. New dental cream developed. Jewel Retirement Estates created by board of directors.
- 1939—1,744 joined J. R. E. in 1939. Four sound slide films produced—an important step in training. Product research intensified. Operating units increased by three routes and seven stores. Total sales reached all-time high.

*Jewel Sales in millions of dollars. Since 1933 sales of Coffee, Tea and other products have risen steadily*







## PROFIT SHARING IN JEWEL

The broad principle of profit sharing has been part of the philosophy of the Jewel business throughout its life. Mrs. Brown receives "profit-sharing credits" with her groceries and the more groceries she buys the more credits she gets. That principle applies to each route customer and represents a sharing with customers of savings made possible through Jewel operating methods. In 1939 our customers received profit-sharing credits totaling \$2,579,343.39.

Jewel salesmen, assistant managers, and branch managers are paid according to their sales and the profit possibilities of the business they obtain. Salesmen are paid on a scale of commissions over and above a fixed salary which is recognition of the profit-sharing principle.

### "WAGE EXTRAS"

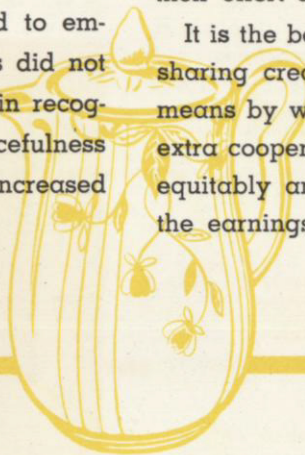
In 1934, 1935 and 1936 a total of \$459,125 in "wage extras" was distributed to employees. (Officers and executives did not participate.) The payments were in recognition of unusual effort and resourcefulness which had made possible the increased profits of those years.

### JEWEL RETIREMENT ESTATES

The favorable results of a profit-sharing plan for the executive and supervisory force led to the establishment of Jewel Retirement Estates in 1938 for all other employees. This is a combined profit-sharing and incentive for individual savings plan for retirement. Under its terms an eligible employee deposits from \$1 to \$4 per week in the trust created by the plan and to these savings the company each year adds out of profits, 25% of its net earnings in excess of \$840,000. The company's total contributions to December 30, 1939, have been \$328,281.81. The trust fund including employee deposits had total assets valued at approximately \$441,000 at that time.

The reward for initiative and ability as experienced on a genuinely cooperative basis by Labor, Management, and Capital, all working together, is cared for by profit sharing after all members of the cooperative groups have received just returns for their effort as individuals.

It is the belief of the company that profit sharing creates the incentive for and the means by which extra profits produced by extra cooperative effort may be distributed equitably among all those responsible for the earnings of the business.







# CAPITALIZATION HISTORY

**Present Capital Structure**—560,000 issued shares of Common Stock without par value.

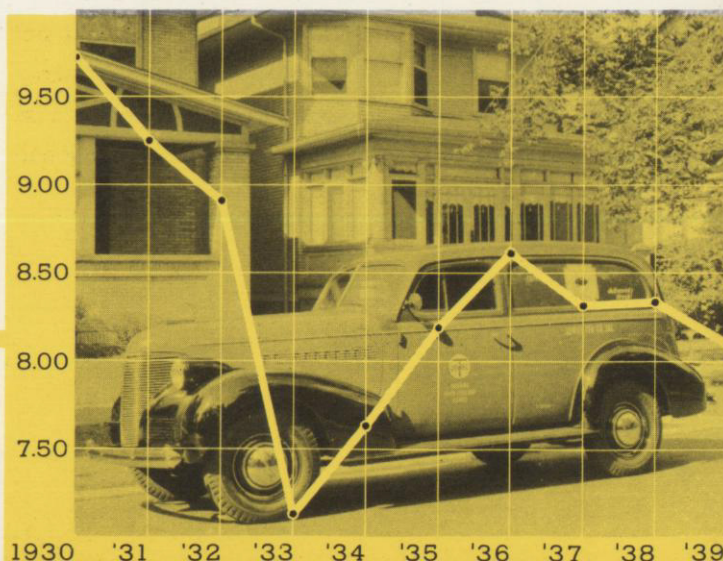
At the time the present company was incorporated in 1916, 40,000 shares of \$100 par value 7% cumulative preferred stock, and 120,000 shares of \$100 par value common stock were issued. In each of the years 1917, 1918, and 1919, 1,200 shares of preferred stock were purchased for retirement, and on May 1, 1924, these 3,600 shares were retired and the authorized number of shares of preferred stock of the company reduced to 36,400. Six thousand four hundred shares of preferred were retired in 1926, 4,400 in 1927, and on April 1, 1929, the remaining 25,600 shares were redeemed.

In 1925 the common stock was changed from \$100 par value to no-par with an assigned value of \$1 per share. The authorized number of common shares was increased from 120,000 to 300,000 in December, 1928. In January, 1929, 40,000 shares of additional stock were sold to stockholders at \$100 per share on a basis of one share for each three previously held. On May 16, 1929, a 75% stock dividend was declared, payable June 20, 1929, increasing the number of shares outstanding to 280,000. On January 29, 1940, stockholders voted to increase the authorized shares to 600,000 and the issued and outstanding shares to 560,000. This change was completed when, on March 1, 1940, there was mailed to stockholders one additional share for each share held of record on February 9, 1940. **REGULAR DIVIDEND RATE** — In 1928 common stockholders received the first dividend on their investment and they have received 49 successive quarterly dividends since that time. The first dividend on common stock was at an annual rate of \$4 per share on the 120,000 shares then outstanding. After payment of the 75% stock dividend in June, 1929, a regular dividend

rate of \$3 per share on 280,000 shares was established and maintained through and including the payment made in January, 1931. Subsequent quarterly dividends were paid at an annual rate of \$4 per share until, in January, 1933, the rate again became \$3 per annum. A \$4 rate was reestablished in April, 1936, and continued through the year 1939. In January, 1940, the present rate of \$2.40 per annum was established to be paid on the 560,000 shares to be issued and outstanding, equal to \$4.80 on the 280,000 shares previously outstanding.

**OTHER DIVIDENDS** — Since 1928 fourteen cash dividends have been paid in addition to the regular quarterly payments. Extra dividends paid were: \$1 in December, 1928; \$1 each in June and November, 1929; \$1 each in June and December, 1930; 50c each in December, 1931, and December, 1934. Special dividends of \$1 were paid in December, 1935; 50c in July, 1936, and \$2 in December of the same year. A final dividend for the year of 75c was paid in December, 1937, and a final dividend for the year of \$1 was paid in December, 1938. A special dividend of \$1 was paid out of surplus in August, 1939, and a final dividend for the year of \$1 was paid in December, 1939.

*Company's Expense of Distributing Goods to Mrs. Brown*



*Showing accident expense, auto insurance, and all other route delivery car expenses*



## SURPLUS AND RESERVES

Jewel's surplus balance of \$2,693,100 at the end of 1939 has been built from earnings of the past nineteen years which were needed first to wipe out the deficit of \$1,507,288 existing at the end of 1920. In those years surplus also was charged with \$807,263 in premiums for the redemption of preferred shares and with \$403,140 for an experiment in wholesaling coffee and tea to retail stores. Dividends were paid on preferred shares while they were outstanding; common stockholders have received dividends each year since payments were started in 1928.

It is the philosophy of your company that surplus should be surplus in fact and represented by cash and marketable securities, thereby truly being available for protection and ready use in support of the capital. At the same time the capital account should provide the investment in operating assets. In keeping with this philosophy \$1,100,000 was transferred from surplus to capital in 1932 when that amount was used to acquire the assets of a chain of self-service food stores in the Chicago area.

At the close of 1939 a reserve for contingencies of \$285,000 and a reserve for alterations,

improvement, development and advertising of \$357,000 had been provided from current earnings over several years. These reserves as well as the surplus account serve as a safeguard to the investment of stockholders and the jobs of employees.

The surplus and reserves accounts have been built up only after a conservative valuation of the assets of the business and a full statement of the liabilities, by the application of the same principles in use for many years. It has been and will be the uniform practice of the company in its accounting statements to anticipate no profits and to provide regular operating reserves against all known and anticipated losses.

### REAL ESTATE HOLDINGS

On December 30, 1939, the company had an investment of \$1,908,969.71 in real estate, which may be described briefly as follows:

Jewel Park in Barrington, Illinois, containing 293 acres of land and the five-story headquarters office and plant in the park. Approximately 46 acres are subdivided as a homes development. In this subdivision the company owns three residences, two of which are for sale.

An eight-story distribution warehouse together with a refrigerated produce warehouse for the food stores in Chicago.

Small single-story branch warehouses with garage space located in: Buffalo, N. Y.; Dayton and Toledo, Ohio; Los Angeles, Calif.; Louisville, Ky.; and Washington, D. C. The company also owns four lots in Minneapolis, Minn.

## RISING TAX COSTS


Year	Total	Per Share of Stock Issued* Per Employee	
1932	\$ 248,457	\$ .44	\$ 87.57
1933	426,897	.76	129.23
1934	589,069	1.05	176.13
1935	676,717	1.21	201.70
1936	850,605	1.52	246.52
1937	991,908	1.77	270.70
1938	1,100,415	1.97	298.22
1939	1,137,256	2.03	313.71

\*Based on 560,000 shares


*Jewel's Rising Tax Costs Shown Here*




# EXTRAS OF THE JEWEL JOB


The company has established many practices beneficial to its personnel. Jewels all have full-time regular employment with no layoffs.  Since 1920 the company has

carried group life insurance on all employees with one year or more of service, the amount increasing with the years of service.


In 1939, \$1,695,950 insurance was carried on the lives of 2,359 Jewel persons. 


Vacations with pay were awarded 1,724 employees who in 1939 met the service requirements and whose work and progress merited this consideration. 


Loans at a low rate of interest are made to employees to help them in time of trial or emergency.


 In 1929 Jewel adopted a policy of employing only those who had satisfactorily passed a complete medical examination.

Health is important to happiness and personal accomplishment with Jewel. However, sickness and disability benefits are maintained for employees. Should an employee become permanently disabled or be injured, Jewel's compensation policy is liberal.

 A Jewel Employees' Trust Fund, with a 3% interest rate guaranteed, has been established to encourage and aid Jewel people in saving a regular portion of their

salaries. At the end of 1939 a total of \$483,714.96 was being held in this savings fund for 2,150 employees. 

Employees hold Jewel Tea Co., Inc. stock which had a market value (as of December 30, 1939) of \$363,921. 

Jewel Retirement Estates is a combined profit-sharing savings and retirement plan. It was created on December 24, 1938, and the total company contribution to December 30, 1939, was \$328,281.81. At the end of 1939 there were 1,744 members of J.R.E. 

As of December 30, 1939, the total value of the property needed to provide one Jewel job was \$2,801.10.

**TABLE OF COMPARATIVE SALES, EARNINGS, AND TAXES**

Year	Sales	EARNINGS Per Share on Common Stock*	TAXES	
			Per Share*	Per Employee
1916	\$12,892,507	\$2.64	\$ .14	\$ 23.79
1917	15,847,604	2.41	.29	47.80
1918	15,598,496	1.24	.07	10.85
1919	16,538,653	d 3.30	.05	8.59
1920	17,573,054	d 3.90	.11	19.07
1921	11,210,388	.57	.07	19.15
1922	10,240,810	.27	.11	29.68
1923	12,554,875	1.11	.22	62.51
1924	13,602,745	1.53	.31	84.72
1925	14,178,478	1.50	.32	84.44
1926	14,568,258	2.25	.44	115.84
1927	14,532,336	2.25	.43	112.38
1928	15,970,893	2.73	.44	116.26
1929	16,844,110	3.02	.49	116.94
1930	15,521,791	3.05	.63	138.25
1931	13,742,691	2.44	.57	120.57
1932	14,662,252	1.88	.44	87.57
1933	14,377,593	1.62	.76	129.23
1934	17,217,177	2.22	1.05	176.13
1935	18,804,498	2.74	1.21	201.70
1936	20,762,707	3.20	1.52	246.52
1937	23,277,441	2.59	1.77	270.70
1938	23,726,533	2.54	1.97	298.22
1939	24,782,383	2.83	2.03	313.71

\*Based on 560,000 shares

d = deficit







## JEWEL'S MOVE TO BARRINGTON

Jewel moved its headquarters office and plant to a new, modern home in Jewel Park, Barrington, Illinois, in April, 1930. Built in the country, where clean air and sunshine furnish ideal conditions for the manufacture of food products, Jewel's headquarters is one of the nation's best planned and most efficient business centers. Of the 57 products in the regular grocery line, 32 are

manufactured in the Barrington plant.

Thousands of visitors annually view this beauty spot, in 1939 a total of 9,956 persons availing themselves of the company's policy to welcome tours of inspection. Barrington gives Jewel people the healthfulness of country life while also providing the diversions of nearby Chicago. Many have made their homes in landscaped Jewel Park.





*Sales meeting at South Bend begins with songs as men gather to review details of new sales campaign*



*Advance Salesman Tom Cutcher—has been making Jewel friends for 11 years*



# HERE AND THERE

*Planning menus while shopping in a clean, white Jewel Food Store*



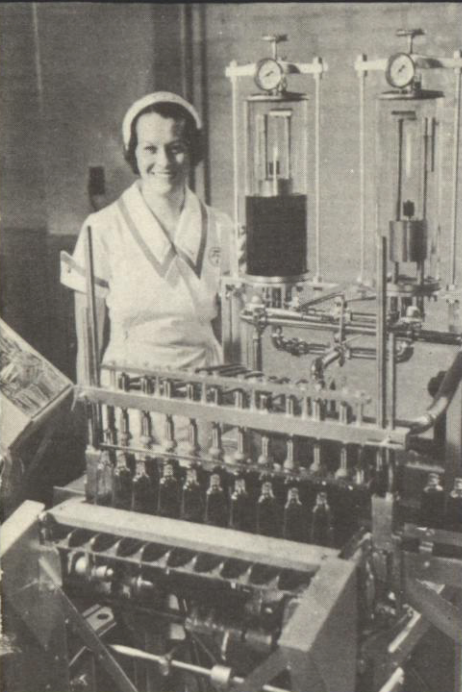
*C. S. Van Hook and his car prove snow can't stop good Jewel service*



*Mr. and Mrs. Ed Reiter at '49 party Ed's set sales records for 12 years*







*Smiling Margaret Williamson guides  
Jewel-constructed extract bottler*



*Barbara, daughter of Long Beach  
Route Salesman W. C. Bond, with pet*



*Buffalo's I. D. Lowdermilk greets  
Mrs. Brown with smile and premium*

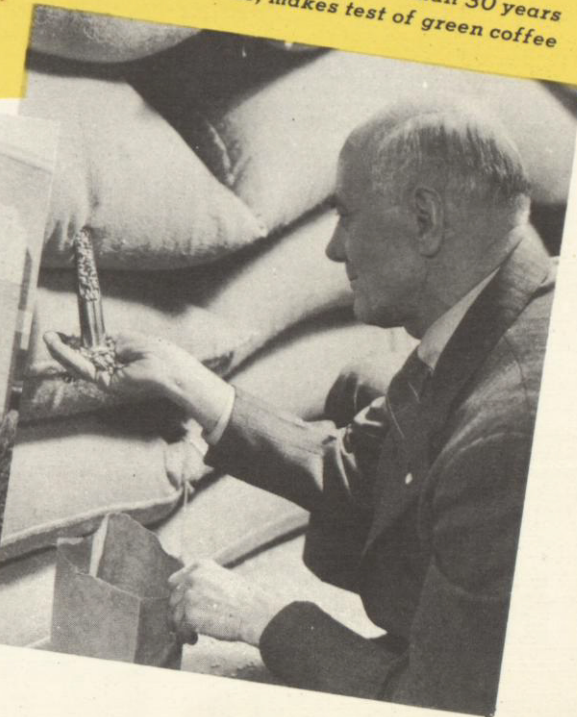
# E WITH JEWEL



*Dallas branch celebrates year of safe driving;  
262,000 miles without an accident in 1939*

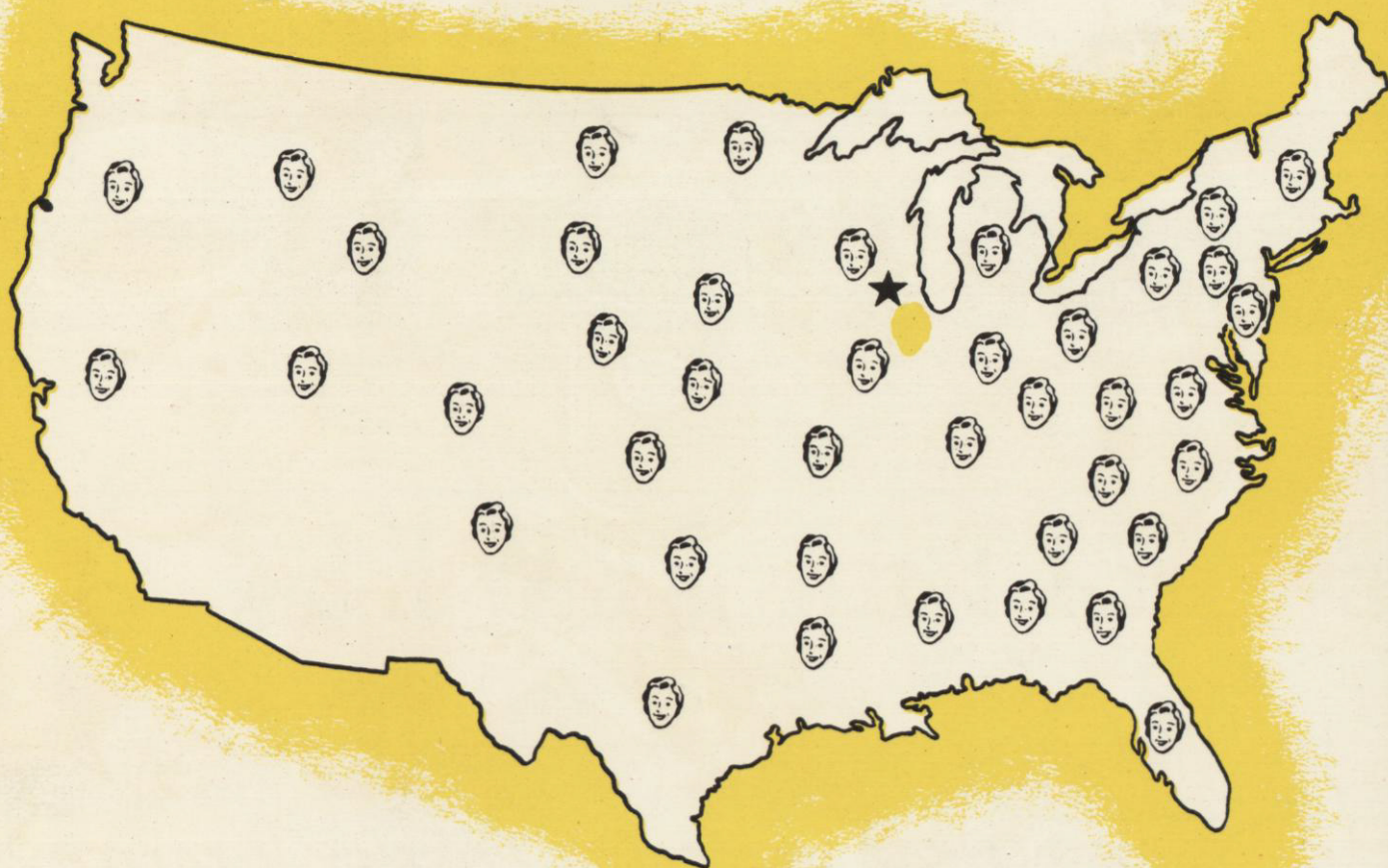


*A. J. Hedley, expert with more than 30 years  
Jewel experience, makes test of green coffee*





# WHERE *Mrs. Brown* LIVES



## JEWEL AT A GLANCE



Number of branches	90
Number of routes	1553
New routes added in 1939	11
Number of stores	116
New stores added in 1939	7
Number of employees (avg. for year)	3625
Manufacturing plants	2
Importing office	1



*States Jewel serves*



*116 Jewel Food Stores  
in Chicagoland*



*Home of Jewel Tea  
Co., Inc., Jewel Park,  
Barrington, Illinois*




WITH  
VIOBIN

# Jewel Malted Milk



Mrs. Brown is particularly interested in the healthful qualities of foods for her children. Jewel Chocolate Flavored Malted Milk, another product of Jewel's scientific study and research, contains VioBin, an exclusive Vitamin B food which builds health, energy, and vitality. The entire family enjoys this delicious and nourishing food-drink.





*These delicious foods result from skillful use of the Jewel baking group; the kind of tasty satisfaction Mrs. Brown enjoys*

**RESULTS** Finally, it is results she gets that count with Mrs. Brown. She shops for foods she can depend upon to please her family and guests; desires results such as all Jewel groceries give her every time. And it is in these results—under the tests of daily use—that Jewel's care and fine quality become so evident.